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SUBJECT: PM STEPPING DOWN AS PARTY LEADER NEXT JUNE

- 11. (SBU) In a surprise announcement made via Centre Party parliamentary leader Timo Kalli and his own blog on December 23, Prime Minister Matti Vanhanen indicated that he would not stand for reelection as leader of the Centre Party at its June 2010 party conference. Citing health reasons (surgery required on his legs next fall), he felt that he would not have sufficient time to recover from an operation, serve as prime minister, and lead his party into April 2011 elections all at the same time. He went on say that the next party leader would "have a leading rol in PM selection", opening the possibility that he might also relinquish leadership of the government in June 2010.
- ¶2. (SBU) Vanhanen's health problem was not widely known prior to this announcement. There may be speculation that the real reason for Vanhanen's departure is political. He was chosen as Finland's least trustworthy politician by a wide margin in a Taloustutkimus poll earlier this month (receiving 21% "support" compared to the second place SPD Leader Urpilainen who received 4%). He appeared to retain broad support within his party in the aftermath of the long-running campaign funding scandal (in which most parties have been implicated, though Centre more than any other) and corruption allegations against the PM personally. The latter aired on a YLE TV investigative program in September 2009, but collapsed after being forcefully rebutted by the PM, resulting in most of the party rallying around their leader after some disquiet in the ranks. Chatter in the media about replacing Vanhanen at next summer's Centre Party conference had died down to nothing over the last two months. Support for the three biggest parties (NCP, SDP, and Centre) has remained steady from August through November. The NCP remains most popular with 23.1 percent, followed by the SDP at 20.3 percent and Centre at 20.1 percent with a 1.4 percent margin of error. Centre's public support actually went up two points between April and October 2009 despite damaging revelations about its campaign funding appearing in the media in the intervening months.
- 13. (SBU) Five Centre Party figures have been mooted in the media as possible successors to Vanhanen as party leader and possibly PM. Environment Minister Paula Lehtomaki, Minister of Public Administration Mari Kiviniemi, Minister of Transportation Anu Vehvilainen, party vice chair Antti Rantakangas, and MP Tuomo Puumala. Posturing among these figures and their supporters may begin early in 2010, though none have put themselves forward as candidates yet. Lethtomaki has stated that she will make her decision on whether to stand for party leader in the next few weeks, while also commenting that the party chair must be immediately ready to act as prime minister.
- 14. (SBU) NCP leader and Finance Minister Jyrki Katainen indicated that Vanhanen had recently told him of his decision while noting that any change of prime minister would require a formal process following selection of a candidate by the Centre Party. FM Alexander Stubb (NCP) expressed surprise at the decision and reinforced that the government would continue to operate effectively. Opposition SDP leader Jutta Urpilainen was also surprised and expressed the opinion that the PM should step down after the June 2010 Centre Party

conference so that the PM would be a party leader better positioned to deal with current challenges such as ${\tt unemployment.}$

15. (SBU) As the leading party in the government coalition, Centre has the prerogative to put forward a candidate for prime minister. If Centre puts forward a new prime minister in June 2010, the other governing parties will then be consulted and could theoretically reopen policy discussions undertaken as part of negotiations to form the governing coalition. NOTE: We have not heard of any desire to do this. By June 2010, the governing coalition will have already presented its last legislative program and budget to parliament, so there would seem little point in debating policies further within the coalition at that point. END NOTE. After concurrence among the governing coalition parties, the prime minister's candidacy must be approved by a majority in parliament. S/he will then be formally appointed by the President.